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VIA HAND DELIVERY

Office of General Counsel
Federal Election Commission
990 E Street NW
Washington, DC 20463

Re: RR 10L-08

To Whom It May Concern:

The undersigned serves as counsel to Friends of Sharron Angle, the principal authorized committee of Sharron Angle, Republican nominee for the United States Senate from Nevada during the 2010 cycle ("the Committee"). This is in response to the letter received from the Office of General Counsel ("OGC") regarding possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act") ("the Letter").

It was unclear from the OGC's letter ("the Letter") exactly what sort of response the OGC is seeking from the Committee. However, in order to expedite resolution of the concerns expressed in the after reviewing the Letter and the attachments, the Committee would submit this response to some of the information contained in the documents. The Committee is willing to provide whatever additional information is necessary and pertinent that should be considered by the OGC and the Federal Election Commission ("the Commission") in resolving this matter.

As Mr. Alan Mills, the treasurer of the Committee has informed the Reports Analysis Division ("RAD") and the Committee's assigned analyst, the Committee did not have the resources during 2009 and through the first half of 2010 to retain professional compliance software, vendors, consultants, and counsel. Only after winning the primary in June, 2010 was the Committee able to afford such professional assistance and software. During the time period preceding the primary 2010, the Committee made every effort to properly report to the Commission all receipts, disbursements, and debts/obligations. It is apparent from the record of calls made by Mr. Mills that his communications with the Commission were in furtherance of his good faith efforts to correctly report the Committee's financial information.

The reporting of the costs, income and debts associated with the direct mail prospecting during 2009 was and is *not* easy to fathom, even for the most experienced of campaign treasurers. Clearly, the repeated calls from Mr. Mills to RAD evidence his 'intent' and that of the Committee to obtain information and to report everything correctly, documented by the numerous communications with RAD during the course of the fall of 2009 through the spring of 2010.

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The Committee, accordingly, would ask that the Commission not penalize the Committee because it did make a good faith effort to comply, and was in regular communication with RAD seeking guidance as to the proper manner in which to report all receipts and disbursements.

Further, there were problems with the FECFile software which did not properly report the data that had been entered into the Committee's database. The Letter is incorrect in stating that FECFile software was not used for reports. Until after the primary, the Committee *did* use FECFile for its reporting purposes, because it is free. It is, however, not user friendly. The Treasurer sought assistance from the Commission's Electronic Filing Office ("EFO") regarding the difficulties related to the database information properly appearing on the FEC report(s) but the report(s) were still inaccurate. The problems with FECfile software may well be due in part to operator lack of understanding and data input errors and the Committee does not argue that there were no such errors. However, the FECFile software manual offers lots of examples but one must be familiar with report terminology to understand the instructions and use the software effectively. Funding for travel to Washington, DC for training was not available before the primary in June 2010. Tech support for FECFile software is not set up to train users and the RAD analysts assigned to committees are not allowed to help with sorting out problems with FECFile software. The RAD analysts only answer compliance questions. Sometime in the spring of 2010, during a conversation with the Committee's RAD analyst, Mr. Mills learned of a training manual that had just been completed and the analyst forwarded a copy to him. While it provided considerable help with simple tasks related to the FECFile software, the complexity of direct mail prospecting activities was beyond the manual's scope.

By the time Mr. Mills prepared and submitted the first set of amendments to the 2009 Year-End report (filed in May, 2010), he had finally figured out and had begun to understand how to report direct mail prospecting income, disbursements and debt. That is something that is simply beyond the scope of the FEC manuals for guiding Committees and Treasurers through the compliance maze.

After the primary, the Committee changed from FECFile to Aristotle for its reporting software, because the Committee began raising sufficient funds to purchase a more user-friendly software package. The Post-Primary FEC Report of the Committee was the first report filed using Aristotle, rather than FECFile, software.

Further, the Committee disputes the statements in the Letter that the Treasurer did not return phone calls from EFO, which states that it left messages for Mr. Mills on 5/25/10, 5/27/10 and 5/28/10 that were not returned. In fact, Mr. Mills states that he repeatedly returned calls to EFO in which he received only voicemail and, after failing to reach a live person on any of the returned phone calls, he just gave up and stopped calling back.



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Finally, with respect to the debts and obligations, the Letter somewhat overstates the reporting variance(s) for the Year-End 2009 Debts and Obligations. Attachment 2 to the Letter reflects the following debts and obligations reported:

Year End 2009 Original Report:	\$ 0.00
Amended Year-End 2009 Report: (Filed May 2010):	\$187,968.64
2d Amended Year-End 2009 Report: (Filed Sept 2010):	\$137,621.79

The FEC letter calculates a variance of \$137,621.79, which is the difference between the initial report and the 2d amended report. However, the Committee amended and reported in May, 2010, significant debts and obligations. After more information was obtained and available, the Committee further updated the information and amended the report again. The difference between what was reported in May and amended in September was \$50,346.85. The Committee submits that there was a remedial filing in May and another in September, such that actual variance is not \$137,621.79 for the entire period but rather is \$50,346.85 in overstated debts and obligations between the May and September amendments.

The reporting was and is complicated by the direct mail prospecting and there is little guidance available as to how such information is to be properly accounted for and reported.

Despite the Committee Treasurer's best efforts to do things correctly, there is no dispute that there were mistakes. For these reasons, the Committee would be willing to enter into a conciliation agreement for any reporting violations. The Committee asserts that the record of the treasurer's good faith efforts to obtain information as to the correct manner in which to report the various receipts, disbursements and debts/obligations are mitigating factors that should be taken into consideration by the Commission insofar as the Commission's consideration of this matter.

Please contact me at (202) 295-4081 to further discuss this matter. Thank you.

Sincerely,

Cleta Mitchell, Esq., Counsel
Friends of Sharron Angle

cc: Alan Mills, Treasurer
Paul Kilgore